

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7210**

**BILL NUMBER:** SB 300

**NOTE PREPARED:** Apr 15, 2011

**BILL AMENDED:** Apr 15, 2011

**SUBJECT:** Automatic Renewal Clauses in Consumer Contracts.

**FIRST AUTHOR:** Sen. Taylor

**FIRST SPONSOR:** Rep. Eberhart

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** (Amended) This bill requires a person who: (1) provides services or the service, maintenance, lease, sale, or repair of real or personal property to a consumer; and (2) includes an automatic renewal clause in the person's contracts; to clearly and conspicuously in the contract and contract offer, disclose the automatic renewal clause and what actions the consumer must take to cancel the contract at the expiration of the contract term. It excludes certain transactions, policies, contracts, and agreements. The bill makes it a rebuttable presumption that a person complied with the requirements if the person meets certain criteria regarding the person's routine business practices. It provides that an automatic renewal clause is void if a person fails to comply with the requirements.

This bill also provides that the holder of a club permit may designate as "guest day" or "guest days" three or fewer days in a month or nine or less consecutive days in a quarter. (Current law allows a holder of a club permit to designate one day each month as a "guest day".)

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Diana Agidi, 317-232-9867.